# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:4920
ANSWERED ON:16.12.2016
Economic Protectionism
Kataria Shri Rattan Lal

**Will the Minister of FINANCE be pleased to state:**

(a)whether the Government is aware of growing protectionism in the economic front in the world which can adversely effect the economy of India; and

(b)if so, the measures being taken by the Government to deal with this situation?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) The Government is aware of the growing protectionism in the world in the economic front. The World Trade Organisation's (WTO) Trade Statistics and Outlook report (released on September 2016) has given a number of reasons for the decline in the ratio of trade growth to GDP growth in recent years, which include among others, the absence of trade liberalization, creeping protectionism and contraction of global value chains (GVCs). As per the WTO's fifteenth trade monitoring report on G20 trade measures, issued on 21 June 2016, the application of new trade-restrictive measures by G20 economies increased compared to the previous reporting period, reaching the highest monthly average registered since the WTO began its monitoring exercise in 2009. In the period mid-October 2015 to mid-May 2016, G20 economies applied 145 new trade-restrictive measures, or an average of almost 21 new measures a month. In the same period, G20 economies implemented 100 measures aimed at facilitating trade, averaging just over 14 per month. Since 2009, a total of 1,583 trade restrictive measures were imposed by G20 countries, and only a quarter of these measures have been removed. These restrictions cover over 6% of all G20 imports and 5% of global imports. While global slowdown is the major cause for decline in world trade, rising protectionist measures also affect trade

(b) In line with global developments, India's exports also fell by 15.5 per cent in 2015-16. However, India's exports are showing signs of revival with positive growths of 4.0 per cent and 9.6 per cent in September 2016 and October 2016 respectively. The Government is closely monitoring the situation and taking appropriate measures as and when required including negotiating with major trading countries for greater market access for our goods and services.
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